Agenda – Council – November 26, 2020

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 9, 2020

Item No. 2 Manitoba Conservation and Climate Grant Agreement for Residential Food Waste

STANDING COMMITTEE RECOMMENDATION:

On November 18, 2020, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the following to Council:

1. That the acceptance of funding by the City from the Government of Manitoba, Conservation and Climate, for up to a maximum amount of $300,000.00 to support supplementary components of the Residential Food Waste Collection Pilot Project be approved.

2. That the 2020 Capital Budget for the Source Separated Organics of $1,800,000.00 be increased by $300,000.00 to $2,100,000.00 with the following funding sources:

    A. Waste Diversion Reserve $1,800,000.00

    B. Government of Manitoba, Conservation and Climate funding $300,000.00

3. The increase to the 2020 capital budget be conditional on receipt of the signed funding agreement with Government of Manitoba, Conservation and Climate.

4. That the City enter into, execute, and deliver a funding agreement with the Government of Manitoba, Conservation and Climate, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

5. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the funding agreement with the Government of Manitoba, Conservation and Climate, and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

6. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 9, 2020

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 18, 2020, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On November 9, 2020, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **MANITOBA CONSERVATION AND CLIMATE GRANT AGREEMENT FOR RESIDENTIAL FOOD WASTE**

Critical Path: **Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Gordichuk, CCLP, Manager, Solid Waste Services	M. L. Geer, CPA, CA, Director, Water and Waste Department	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

On December 12, 2019, Council directed the Public Service to develop a Residential Food Waste (RFW) collection pilot project and report back to Council with recommendations regarding a city-wide program by 2023. On March 20, 2020, Council approved the 2020 capital budget of $1,800,000.00 for Source Separated Organics funded by the Waste Diversion Reserve. The RFW Collection Pilot Project commenced on October 5, 2020. The project is ongoing and within budget.

In September 2020, the Public Service was approached by Manitoba Conservation and Climate to discuss funding support for supplementary activities related to the RFW Collection Pilot Project.

On October 5, 2020, Manitoba Conservation and Climate forwarded a funding agreement to the Public Service for up to a maximum amount of $300,000.00 to support supplementary components of the RFW Collection Pilot Project, including:

1) Development of a business case for an organics processing facility with capacity to serve the City of Winnipeg, including a class 3 estimate.
2) Development and distribution of food waste reduction campaign materials for households participating in the pilot.
3) Assessment of organics processing methodology at Brady Road Resource Management Facility.

The above activities fall outside of the scope of the RFW Collection Pilot Project, and support directives outlined in the Comprehensive Integrated Waste Management Strategy (CWIMS) and Winnipeg Climate Action Plan.

As per Schedule A of the funding agreement, an initial payment of $240,000.00 (80%) will be disbursed to the City upon signing of the agreement, and the remaining $60,000.00 (20%) will be dispersed upon receipt and acceptance of the final report, which is due March 31, 2021.

RECOMMENDATIONS

1) That Council approve the acceptance of funding by the City from the Government of Manitoba, Conservation and Climate, for up to a maximum amount of $300,000.00 to support supplementary components of the Residential Food Waste Collection Pilot Project.

2) That the 2020 Capital Budget for the Source Separated Organics of $1,800,000.00 be increased by $300,000.00 to $2,100,000.00 with the following funding sources:
    A. Waste Diversion Reserve $1,800,000.00
    B. Government of Manitoba, Conservation and Climate funding $300,000.00

3) The increase to the 2020 capital budget be conditional on receipt of the signed funding agreement with Government of Manitoba, Conservation and Climate.

4) That the City enter into, execute, and deliver a funding agreement with the Government of Manitoba, Conservation and Climate, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

5) That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the funding agreement with the Government of Manitoba, Conservation and Climate, and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

6) That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to:

1) Receive funding from and enter into the funding agreement with the Government of Manitoba, Conservation and Climate.
2) Increase the 2020 Capital budget to support supplementary components of the RFW Collection Pilot Project which would be funded by Government of Manitoba, Conservation and Climate.

IMPLICATIONS OF THE RECOMMENDATIONS

The City will receive funding of up to a maximum amount of $300,000.00 to support supplementary components of the Residential Food Waste Collection Pilot Project.

At the time of this report, it is anticipated that the project will not be impacted by the COVID-19 pandemic. However, it is unknown what future impacts a continued pandemic will have on all aspects of the project.

HISTORY/DISCUSSION

On December 12, 2019, Council directed the Public Service to develop a RFW collection pilot project and report back to Council with recommendations regarding a city-wide program by 2023. The Public Service was also directed to provide Council with an update on the project implementation, including the selected collection routes and the public engagement strategy, prior to the start of the pilot project. This update was provided to Council on July 23, 2020.

The pilot program is ongoing and within budget, with data collection launched in June 2020, and curbside cart collection having commenced on October 5, 2020. Results from the completion of the supplementary components of the RFW Collection Pilot Project outlined herein will inform the Public Services recommendations to Council regarding a city-wide program in 2023.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 27, 2020

Project Name:

MANITOBA CONSERVATION AND CLIMATE GRANT AGREEMENT FOR RESIDENTIAL FOOD WASTE

First Year of Program **2020**

	2020	2021	2022	2023	2024
Capital					
Capital Expenditures Required	$ 300,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 300,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Province of Manitoba, Conservation and Climate)	300,000	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 300,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 300,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The 2020 approved capital budget includes $1,800,000 for the Source Separated Organics pilot funded from the Waste Diversion Reserve, account number 445-181000-200753-2065000920. The additional $300,000 is required to include supplementary components to the project and will be funded from the Province of Manitoba, Conservation and Climate.

"Original signed by L. Szkwarek, CPA, CGA"
Lucy Szkwarek, CPA, CGA
Manager of Finance and Administration

CONSULTATION

This report was made in consultation with:

Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg policies through

OurWinnipeg Reference: 02-2 Environment

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Direction and Actions 6.1 Reduce Consumption and Increase Waste Diversion from Residential, Commercial and Industry:

- Implement direction from the Comprehensive Integrated Waste Management Strategy to advance the priority of organic material diversion from the landfill. (Short Term 2018-2022)
- Continue to invest in educational and awareness programming to help maximize waste diversion (i.e. recycling and organics). (Short Term 2018-2022)
- Advance strategies and pilot projects to divert and utilize biomass resources for energy production. (Medium Term 2022-2026)
- Explore feasibility of rationalizing waste management facilities and services with regional partners to better manage waste, reduce emissions and increase diversion. (Medium Term 2022-2026)

SUBMITTED BY

Department: Water and Waste Department
Division: Solid Waste Services
Prepared by: Richard Bolton, M.N.R.M.
Date: October 28, 2020
File No.: G-261